SASKATCHEWAN

Report to the Legislative Assembly of Saskatchewan on the Financial Statements of Crown Agencies for Years Ending in the 2003 Calendar Year

April 2004

Office of the Provincial Auditor

Report to the Legislative Assembly of Saskatchewan on the Financial Statements of Crown Agencies for Years Ending in the 2003 Calendar Year

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Vision

We envision effective, open, and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly by fostering excellence in public sector management and accountability.

104-04220/

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SASKATCHEWAN

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April 14, 2004

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour to submit my *Report to the Legislative Assembly of Saskatchewan on the Financial Statements of Crown Agencies for Years Ending in the 2003 Calendar Year* in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

Respectfully submitted,

Fred Wendel, CMA, CA
Provincial Auditor

Report on the Financial Statements of Crown Agencies for Years Ending in the 2003 Calendar Year

Purpose 1

Background 1

Results 2

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Purpose

The purpose of this Report is to inform the Legislative Assembly of our Office's views on the financial statements of Crown agencies audited by appointed auditors, for years ending in the 2003 calendar year. This Report does not include our views on the financial statements of Crown Investments Corporation of Saskatchewan (CIC), its subsidiaries, and other related entities. We provide our views on those entities in a separate report.

Background

The Assembly allows the Government to appoint auditors to examine and report on certain Crown agencies. The Provincial Auditor, however, retains overall responsibility for the audits of all Crown agencies.

In June 1994, the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*[1] recommended how the audit system for CIC and its subsidiary Crown corporations could function more efficiently and effectively. In April 1995, Treasury Board decided that all Crown corporations and agencies should comply with the Task Force's recommendations. Our Office, Crown agencies, and appointed auditors use the Task Force's recommendations to better serve the needs of the Assembly. The Task Force recommended that we give the Assembly a report listing the agencies in whose audits we participated.

The objectives of each audit are to form the following opinions and to report the results to the Assembly.

- An opinion on the rules and procedures used by the agency to safeguard public resources.
- An opinion on the agency's compliance with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing activities.
- An opinion on the reliability of the agency's financial statements.

[1] For a copy of this report, see our web site at http://www.auditor.sk.ca/rrd.html

In our 2003 Report – Volume 3, we reported the results of these audits that were completed by October 31, 2003. We will report the results of the remaining audits in 2004. The appointed auditors' reports on the reliability of each Crown agency's financial statements are attached to the respective financial statements.

The Government's summary financial statements include the financial results of all Crown agencies controlled by the Government. *Public Accounts 2002-03 – Volume 1* includes my auditor's report on the Government's statements for the year ended March 31, 2003.

Results

We participated in all audits of Crown agencies, except as noted below.

- The Trustees of the First Nations Fund (Fund) have denied our Office access to information necessary for us to complete the audit of the Fund for the year ended March 31, 2003. For further information on this issue, see Chapter 7 of our 2003 Report – Volume 3.

- SaskPen Properties Ltd. did not allow our Office to participate in the audit of this agency.

- We did not participate in the audits of Chicken Farmers of Saskatchewan, Saskatchewan Alfalfa Seed Producers' Development Commission, Saskatchewan Broiler Hatching Egg Producers' Marketing Board, Saskatchewan Egg Producers, Saskatchewan Flax Development Commission, Saskatchewan Pulse Crop Development Board, Saskatchewan Sheep Development Board, and Saskatchewan Turkey Producers' Marketing Board. In 1999, the Department of Agriculture, Food and Rural Revitalization and our Office agreed that the most efficient way for our Office to examine these smaller agricultural marketing and development agencies would be to work through the Agricultural and Food Products Development and Marketing Council (Council). As part of our annual audit of the Department, we examine the supervisory work carried out by the Council regarding these agencies.

- We did not participate in the audit of Saskatchewan Trade and Export Partnership Inc. (STEP). In 1999, The Department of Industry and Resources and our Office agreed that, as part of our annual audit of the Department, we would examine the supervisory work carried out by the Department over STEP.

- Previously, we reported that we would rotate our audits of the eight regional colleges, i.e., we would not audit every regional college each year. In 2003, we participated in the audits of three regional colleges.

In our opinion, for all audits we participated in and completed our work by the date of this Report, the financial statements are reliable, except for:

- Saskatchewan Agricultural Stabilization Fund (Fund). The Fund's financial statements are not reliable because the Fund did not properly record transfers from the General Revenue Fund. For further information on this issue, see Chapter 11 of our 2003 Report – Volume 3.

- Operator Certification Board (Board). We were unable to determine if the Board's financial statements were reliable because the Board does not have adequate processes to ensure it records all the revenue it receives. For further information on this issue, see Chapter 9 of our 2003 Report – Volume 3.

- Five Hills Regional Health Authority, Sun Country Regional Health Authority, and Sunrise Regional Health Authority (RHAs). The financial statements of these three RHAs are not reliable because they did not record the correct amount of revenue from the General Revenue Fund. For further information on this issue, see Chapter 2C of our 2003 Report – Volume 3.

The following table lists all Crown agencies whose accounts are audited by appointed auditors, names the appointed auditor, sets out the agency's year-end date, shows if we participated in the audit of the agency, and states if the agency's financial statements are reliable.

Report on the Financial Statements of Crown Agencies for Years Ending in the 2003 Calendar Year

Crown Agency	Appointed Auditor	Year-end Date	Participated in Audit	Financial Statements are Reliable
Agricultural Credit Corporation of Saskatchewan	Meyers Norris Penny LLP	March 31, 2003	Yes	Yes
Carlton Trail Regional College	E.J.C. Dudley & Co.	June 30, 2003	Yes	Yes
Chicken Farmers of Saskatchewan	Meyers Norris Penny LLP	December 31, 2003	No	
Community Initiatives Fund	Virtus Group LLP	March 31, 2003	Yes	Yes
Crop Reinsurance Fund of Saskatchewan	KPMG LLP	March 31, 2003	Yes	Yes
Cumberland Regional College	Neumann & Neumann	June 30, 2003	Yes	Yes
Cypress Regional Health Authority	Stark & Marsh	March 31, 2003	Yes	Yes
Cypress Hills Regional College	Meyers Norris Penny LLP	June 30, 2003	No	
Education Infrastructure Financing Corporation	E.J.C. Dudley & Co.	March 31, 2003	Yes	Yes
First Nations Fund	KPMG LLP	March 31, 2003	Access Denied	
Five Hills Regional Health Authority	Stark & Marsh	March 31, 2003	Yes	No
Heartland Regional Health Authority	Jensen Stromberg	March 31, 2003	Yes	Yes
Keewatin Yatthé Regional Health Authority	Meyers Norris Penny LLP	March 31, 2003	Yes	Yes
Kelsey Trail Regional Health Authority	Neumann & Neumann	March 31, 2003	Yes	Yes
Mamawetan Churchill River Regional Health Authority	Deloitte & Touche LLP	March 31, 2003	Yes	Yes
Métis Development Fund	Deloitte & Touche LLP	December 31, 2003	Yes	Yes
Municipal Financing Corporation of Saskatchewan	E.J.C. Dudley & Co.	December 31, 2003	Yes	Yes
Municipal Employees' Pension Commission*	KPMG LLP	December 31, 2002	Yes	Yes
Municipal Employees' Pension Commission	Meyers Norris Penny LLP	December 31, 2003	Yes	Yes
Northlands College	Meyers Norris Penny LLP	June 30, 2003	Yes	Yes
North West Regional College	Johnson Svenkeson	June 30, 2003	No	
Operator Certification Board	Mintz & Wallace	March 31, 2003	Yes	No
Parkland Regional College	Skilnick Besler Miller Moar & Co.	June 30, 2003	No	
Prairie West Regional College	Gilchrist & Co.	June 30, 2003	No	
Prairie North Regional Health Authority	Deloitte & Touche LLP	March 31, 2003	Yes	Yes
Prince Albert Parkland Regional Health Authority	Meyers Norris Penny LLP	March 31, 2003	Yes	Yes
Public Employees' Pension Plan	KPMG LLP	March 31, 2003	Yes	Yes
Saskatchewan Agricultural Stabilization Fund	KPMG LLP	March 31, 2003	Yes	No

Crown Agency	Appointed Auditor	Year-end Date	Participated in Audit	Financial Statements are Reliable
Saskatchewan Alfalfa Seed Producers Development Commission	Merv Culham, CA	July 31, 2003	No	
Saskatchewan Association of Health Organizations (SAHO)	Deloitte & Touche LLP	March 31, 2003	Yes	Yes
SAHO Disability Income Plan – CUPE Fund	Deloitte & Touche LLP	December 31, 2003	Yes	**
SAHO Disability Income Plan – SEIU Fund	Deloitte & Touche LLP	December 31, 2003	Yes	**
SAHO Disability Income Plan – General Fund	Deloitte & Touche LLP	December 31, 2003	Yes	**
SAHO Disability Income Plan – SUN Fund	Deloitte & Touche LLP	December 31, 2003	Yes	**
SAHO – Out-of-scope Extended Health/Enhanced Dental Fund	Deloitte & Touche LLP	December 31, 2003	Yes	**
SAHO – Inscope Extended Health/Enhanced Dental Fund	Deloitte & Touche LLP	December 31, 2003	Yes	**
Saskatchewan Broiler Hatching Egg Producers' Marketing Board	Meyers Norris Penny LLP	December 31, 2003	No	
Saskatchewan Communications Network Corporation	Virtus Group LLP	March 31, 2003	Yes	Yes
Saskatchewan Crop Insurance Corporation	KPMG LLP	March 31, 2003	Yes	Yes
Saskatchewan Egg Producers	E. J.C. Dudley & Co.	December 31, 2003	No	
Saskatchewan Flax Development Commission	Merv Culham, CA	July 31, 2003	No	
Saskatchewan Grain Car Corporation	Skilnick Besler Miller Moar & Co.	July 31, 2003	Yes	Yes
Saskatchewan Housing Corporation	KPMG LLP	December 31, 2003	Yes	Yes
Saskatchewan Lotteries Trust Fund for Sport, Culture, and Recreation	Virtus Group LLP	March 31, 2003	Yes	Yes
Saskatchewan Pension Plan	Deloitte & Touche LLP	December 31, 2003	Yes	Yes
Saskatchewan Property Management Corporation	Deloitte & Touche LLP	March 31, 2003	Yes	Yes
Saskatchewan Pulse Crop Development Board	Hergott, Duval, Stack & Partners	August 31, 2003	No	
Saskatchewan Sheep Development Board	Hounjet Tastad	September 30, 2003	No	
Saskatchewan Trade and Export Partnership Inc.	KPMG LLP	March 31, 2003	No	
Saskatchewan Turkey Producers' Marketing Board	Hergott Duval Stack & Partners	December 31, 2003	No	
Saskatchewan Watershed Authority	Meyers Norris Penny LLP	March 31, 2003	Yes	Yes
Saskatoon Regional Health Authority	KPMG LLP	March 31, 2003	Yes	Yes
SaskPen Properties Ltd.	Deloitte & Touche LLP	December 31, 2003	Access Denied	

Report on the Financial Statements of Crown Agencies for Years Ending in the 2003 Calendar Year

Crown Agency	Appointed Auditor	Year-end Date	Participated in Audit	Financial Statements are Reliable
Sask Pork	Deloitte & Touche LLP	July 31, 2003	Yes	Yes
Southeast Regional College	EPR Certified General Accountants	June 30, 2003	No	
Sun Country Regional Health Authority	Meyers Norris Penny LLP	March 31, 2003	Yes	No
Sunrise Regional Health Authority	Parker Quine	March 31, 2003	Yes	No
Workers' Compensation Board	Deloitte & Touche LLP	December 31, 2003	Yes	Yes
Workers' Compensation Board Superannuation Plan	Deloitte & Touche LLP	December 31, 2003	Yes	Yes

* 2002 audit was not finished in time for last year's Report.

** Audit of financial statements was not finished at the date of this Report.